

**COUNTY OF FAUQUIER, VIRGINIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2002**

---

---

**Prepared by:**

**The Fauquier County Government & Public Schools**  
**Department of Finance**

# ***Fauquier County Government & Public Schools***



**FINANCE DEPARTMENT**  
320 Hospital Drive  
Suite 32  
Warrenton, VA 20186-3037



Telephone (540) 428-8729

Fax (540) 341-1005

November 27, 2002

Chairman and Members of the Fauquier County Board of Supervisors  
Chairman and Members of the Fauquier County Public Schools  
Citizens of Fauquier County, Virginia:

We are pleased to present Fauquier County's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2002 in accordance with Section 15.2-2511 of the *Code of Virginia*. The financial statements included in this report have received an unqualified auditing opinion, and conform to generally accepted accounting principles as established by the Governmental Accounting Standards Board. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds and account groups of Fauquier County and its component unit, Fauquier County Public Schools.

This report is intended to provide informative and relevant financial information for the governing bodies of the County and Public Schools, the citizens of the County, investors, creditors and other concerned readers. All statements and disclosures necessary for the reader to gain a thorough understanding of Fauquier County's financial activities have been included. Readers are encouraged to contact the Fauquier County Government and Public Schools Department of Finance with comments or questions regarding this report.

The Comprehensive Annual Financial Report is presented in four sections:

The **Introductory Section**, which is unaudited, includes this letter of transmittal, the Certificate of Achievement for Excellence in Financial Reporting, an organizational chart, and a list of principal elected and appointed officials of the County.

The **Financial Section** contains the Independent Auditor's Report, the general purpose financial statements, the combining and individual fund statements, and the account group statements and schedules for all the organizations, activities and functions of the County as primary government and its component unit.

The **Statistical Section**, which is unaudited, includes selected financial and demographic data. The data is presented in summary form for the last ten years.

The **Compliance Section** presents the single audit required in conformity with the U.S. Office of Management and Budget Circular A-133. Information related to this audit includes

the independent auditor's reports on internal controls and compliance with applicable laws and regulations; a Schedule of Expenditures of Federal Awards; and a Schedule of Findings and Questioned Costs.

## **OVERVIEW**

### **Reporting Entity – Fauquier County, Virginia**

For financial reporting purposes, the reporting entity known as Fauquier County (County) consists of (1) the County as the primary government, and (2) the Fauquier County Public Schools (Schools) as a component unit of the County. The component unit, Schools, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the primary government, and to provide information regarding its financial position, results of operations, and changes in fund balance from those of the primary government.

The Fauquier County Industrial Development Authority and Water and Sanitation Authority do not have a significant operational or financial relationship to the County, and the County's accountability extends only to the appointment of the respective boards. The Vint Hill Farms Economic Development Authority has no significant operational or financial relationship to the County, and the board members of the Authority are appointed by the Governor. Accordingly, these organizations are excluded from this report.

The County government operates under the Board of Supervisors/County Administrator form of government, as defined under Virginia law. The governing body of the County is the Board of Supervisors, which makes policies for the administration of the County. The Board of Supervisors consists of five members representing the five Magisterial Districts in the County: Cedar Run, Center, Lee, Marshall, and Scott. The Chairman of the Board of Supervisors is elected from within the Board of Supervisors and serves generally for a term of one year in addition to being a District Supervisor. The Board of Supervisors appoints a County Administrator to act as the administrative head of the County. The County Administrator serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, and directs business and administrative procedures within the County government.

Fauquier County completely surrounds the Towns of Warrenton, Remington, and The Plains. The County provides certain governmental services, such as public education, to the Towns' residents pursuant to agreements with such Towns. Property in these Towns is subject to both Town and County taxation.

The County provides a full range of services to its residents, including the following: education; public safety; court services; solid waste disposal; community and economic development; parks and recreational activities; cultural events; public libraries; social services; and general administration. All moneys required to support these services are reflected in this report.

The component unit, Fauquier County Public Schools, is the single largest service provided by the County. The elected School Board is composed of five members, who represent the five magisterial districts. The School Board appoints a superintendent to administer the policies of the School Board. The school system is comprised of two high schools, four middle schools, ten elementary schools, and one alternative school. The combined enrollment as of June 2002 was 9,678 students. The mission of the Fauquier County Public Schools is to cultivate the ability, intellect, and character of each student to ensure an educated citizenry.

## **Economic Condition and Outlook**

Fauquier County is located in the north central piedmont region of Virginia, approximately 45 miles southwest of the nation's capital and approximately 80 miles northwest of Richmond, the state's capital. The County encompasses a land area of approximately 660 square miles, making it the state's eighth largest county. Fauquier County is bordered by the Counties of Prince William, Stafford, Culpeper, Warren, Clarke, Loudoun and Rappahannock. The Rappahannock River forms the County's Western border. Interstate 66 runs East-West through the northern portion of the County. In addition, five U.S. primary routes and two state primary routes traverse the County.

The County remains primarily rural in nature. Because of its proximity to Washington, D.C., the County has experienced consistent, yet controlled, population growth, averaging just less than 1.5% per year over the past ten years. The Board has adopted a vision for the County, which includes the preservation of the physical beauty, historical heritage and environmental quality of the County. The vision is the driving force behind the actions taken by the Board to ensure smart growth and development.

In 1997, the Army's base at Vint Hill Farms Station was closed. Due to the strength of the economy in Northern Virginia, the County has succeeded in overcoming the loss of jobs from this major employer. The base was conveyed to Vint Hill Farms Economic Development Authority (Authority) in the fall of 2000. The land use plan for the base property includes a mix of residential, commercial and public use. The property has been rezoned for 300 housing units and 3.1 million square feet of commercial development. As of June 30, 2002, the Authority had sold 52 acres of land and seven commercial buildings totaling 103,000 square feet. 500,000 square feet of existing buildings have been rented, bringing 350 jobs to the County.

In 1999, the Board of Supervisors renewed its commitment to economic development by adopting an Economic Development Strategic Plan, and establishing an Office of Economic Development as a key element in its overall strategy to promote the County as an attractive place for businesses to locate and for existing businesses to expand. The Office of Economic Development is active in its pursuit of development, consistent with the County's vision.

## **Major Initiatives for Fiscal Year 2002**

The following summary provides the highlights of several major projects undertaken during the fiscal year:

- **Middle school** - the County issued bonds through the Virginia Public School Authority in the amount of \$6.41 million to begin the planning, design and construction of a new middle school in the New Baltimore area of Scott District. This \$17.2 million school will have an estimated capacity of approximately 600 students. Additional bonds will be issued to complete this school, scheduled to open in the fall of 2004.
- **Northern Sports Complex** – the County received a \$10 million Mellon Estate grant to develop a sports complex in the north central portion of the County. The conceptual master plan for the complex includes the development of fields for softball, soccer, baseball, and football; nature and walking trails; amphitheatre; swimming pool; areas for other recreational activities; as well as pavilions and concession stands, and the infrastructure to support these functions. Completion of the project features is planned over a three year period.
- **Radio system** - the County issued bonds in the amount of \$7.4 million to fund the lease purchase of a comprehensive public safety 800MHz simulcast, trunked radio system. This

system will replace an outdated system, and improve the delivery of critical services to County residents. The system is expected to be operational in early 2004.

- **Balanced Scorecard** – the County adopted and began implementation of the “Balanced Scorecard” methodology. This methodology provides a framework for establishing strategic objectives and measuring performance. This process is the first step in becoming a high performance organization, and managing performance to achieve the County’s vision.
- **School Board Strategic Plan** – the School Board held its first ever planning retreat with administrative staff to update the strategic plan. The participants engaged in a process to review core values and shared beliefs, and set goals and priorities for the coming years.

### **Major Initiatives for the Future**

The following summary provides the highlights of several major projects planned in the coming fiscal year:

- **Bealeton Library branch** – construction is planned for a branch library in the amount of \$1.7 million in the Lee District. The opening is planned for late summer of 2003.
- **Warrenton-Fauquier Airport runway widening and expansion** – a \$3.3 million construction project, starting in the fall of 2002. The project will be supported primarily with Federal and State funding. Phase II, requiring an additional \$4.0 million, is expected to be under construction in 2003, contingent upon approval of the next funding phase.
- **Warren Green Building renovation** – the renovation of this historical building will begin early in 2003. The project is estimated to cost \$1.5 million, and will house County administrative offices. Completion is expected in late summer 2003.

## **FINANCIAL SUMMARY**

### **Internal and Budgetary Controls**

County administration is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft, or misuse; to ensure that adequate accounting data are compiled; and to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits obtained, and the valuation of costs and benefits requires estimates and judgments by management. The County's independent auditors consider certain aspects of these controls during the course of the annual audit, but not for the purpose of providing assurance on the internal control structure.

To ensure compliance with the limits and provisions of the respective budgets as approved by the Board of Supervisors, budgetary controls are maintained at the department level for the operating budget and at the project level for the capital improvements budget. These controls include a formal appropriation system maintained on the County's automated financial system and periodic reviews. Oversight of all budget operations is performed by the Budget Office. Purchase orders, contracts and commitments for the expenditures of funds are recorded as encumbrances. All appropriations lapse at year end.

### **Governmental Funds, Expendable Trusts, and Discretely Presented Component Unit**

The following summary provides an overview of the financial results of the governmental fund types, expendable trusts, and component unit School Board as more specifically detailed in the Financial Section, Exhibit 2. The activities of these funds include most of the services provided by the County.

(Continued on next page)

**Revenue:** Revenues received by the governmental funds, expendable trusts, and component unit School Board in fiscal year 2002, and the changes from fiscal year 2001 are shown by revenue source in the following chart and table.

### ***FY 2002 Revenue Sources Governmental, Expendable Trusts & Component Unit***

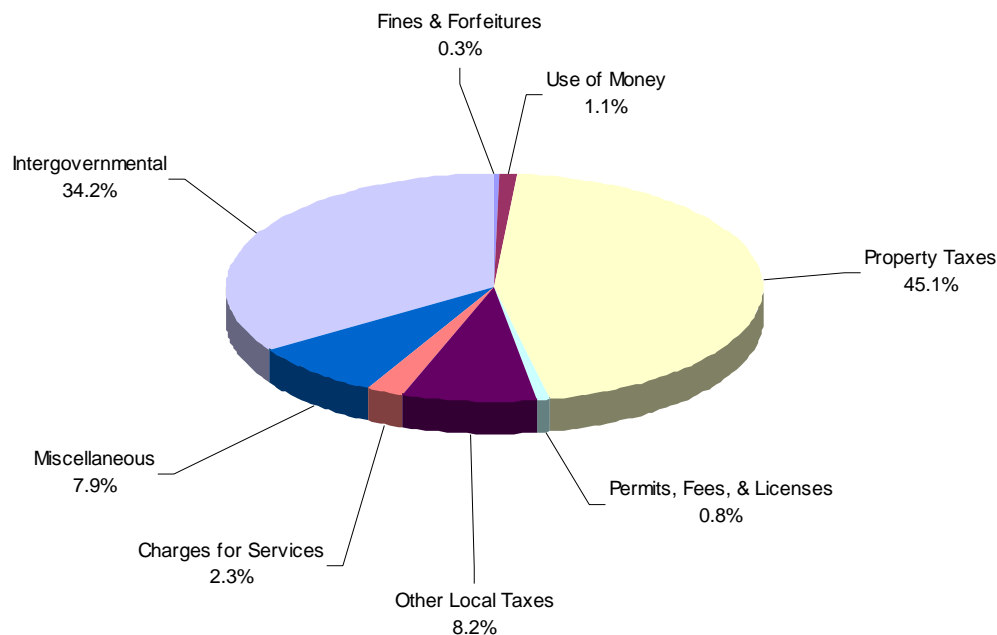


Table 1. Revenue	Fiscal Year 2002	Fiscal Year 2001	% of Total	Inc/(Dec) From 2001	% Change
<b>General Property Taxes</b>	\$ 63,317,360	\$ 59,071,677	45.1%	\$ 4,245,683	7.2%
<b>Other Local Taxes</b>	11,445,316	10,920,367	8.2%	524,949	4.8%
<b>Permits, Fees, &amp; Licenses</b>	1,169,124	1,130,335	0.8%	38,789	3.4%
<b>Fines and Forfeitures</b>	432,297	362,610	0.3%	69,687	19.2%
<b>Use of Money &amp; Property</b>	1,604,544	2,962,308	1.1%	(1,357,764)	-45.8%
<b>Charges for Services</b>	3,251,191	3,104,557	2.3%	146,634	4.7%
<b>Miscellaneous</b>	11,016,053	586,703	7.9%	10,429,350	1777.6%
<b>Intergovernmental</b>	48,014,868	42,737,374	34.2%	5,277,494	12.3%
<b>Total</b>	<u>\$ 140,250,753</u>	<u>\$ 120,875,931</u>	<u>100.0%</u>	<u>\$ 19,374,822</u>	<u>16.0%</u>

As shown in Table 1, for the fiscal year ended June 30, 2002, revenues totaled \$140,250,753, an increase of 16% over fiscal year 2001. The County's primary revenue sources are general property taxes, intergovernmental revenue, and other local taxes, which combined account for 87.5% of the County's revenue in fiscal year 2002.

General property taxes include such taxable property as real estate, personal property, airplanes, and machinery and tools. Revenue for general property taxes was \$63.3 million, an increase from fiscal year 2001 of \$4.2 million, or 7.2%. The increase in this category is primarily attributed to the real estate segment of these taxes. The real estate increase occurred as a result of both higher assessments and growth in taxable properties in the County. The real estate property assessment (Statistical Section, Table 4) increased by 13.3% over the prior year. As a result of higher real property assessments, the County reduced its real estate tax for calendar year 2002. Taxes for calendar year 2001 were charged at the rate of \$0.99 per \$100 of assessed value for general governmental services, and \$0.07 per \$100 for fire and rescue services. In calendar year 2002, the County decreased the rate for general governmental services to \$0.92 per \$100 of assessed value. The portion of the levy dedicated to fire and rescue remained at \$0.07. The general property taxes reported in Table 1 above for fiscal year 2002 include the higher assessments and reduced tax rate for the second half of the fiscal year.

General property taxes also include the personal property tax collections. However, this category does not include that portion of personal property tax revenue that is reimbursed by the State under the Personal Property Tax Relief Act (PPTRA) program initiated in 1998. The State's portion is reported in the intergovernmental revenue category. The following Table 2 summarizes all personal property tax collections, from both individuals and the State. As the table shows, the State's reimbursement has increased while local collections from individuals have decreased.

<b>Table 2. Summary of Personal Property Receipts</b>	<b>Fiscal Year 2002</b>	<b>Fiscal Year 2001</b>	<b>Inc/(Dec) From 2001</b>
Personal Property - Local Share	\$ 11,668,921	\$ 13,497,769	\$ (1,828,848)
Personal Property – State Reimbursement (Intergovernmental)	10,737,830	6,854,329	3,883,501
Total Personal Property Tax Revenue	\$ 22,406,751	\$ 20,352,098	\$ 2,054,653

Intergovernmental revenues include revenue from the state and federal government for such programs as shared expenditures for the Constitutional Offices, health and welfare programs, and alcohol and titling taxes. This category is the second largest revenue category for the County, accounting for 34.2% of revenue. This category experienced a 12.3% growth in fiscal year 2002. The increase is primarily attributed to reimbursement from the State for the personal property tax on vehicles. As shown in Table 2 above, about \$3.9 million of the \$5.3 million increase in intergovernmental revenue is attributed to the State's reimbursement for personal property taxes. Other increases in intergovernmental revenues are primarily from state grants such as records preservation and federal welfare assistance.

The other local taxes category includes such taxes as the local share of state sales tax, consumer utility taxes, business license taxes, franchise taxes, and recordation and wills taxes. Overall, other local taxes increased \$524,949, or 4.8%. The most significant increases in this category occurred in taxes on recordation and wills, and to a lesser extent sales tax. Recordation and wills taxes increased by 36%, or about \$277,000. Sales taxes increased 3.3%, or about \$156,000.

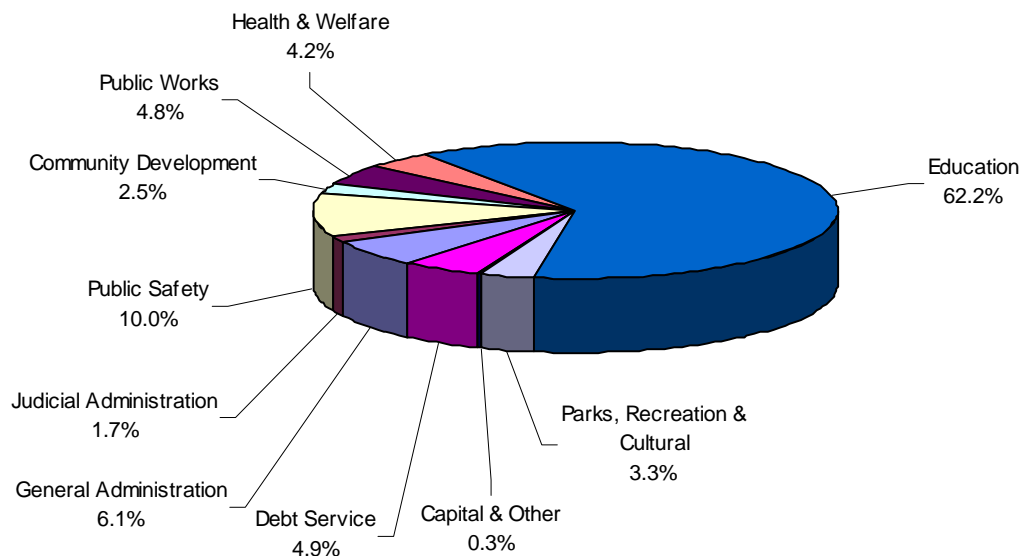
Miscellaneous revenue showed the largest increase in terms of actual dollars and percent change. This increase is the result of the Mellon Estate grant received by the County in the amount of \$10 million. Under the terms of this grant, the County has undertaken a project to build a northern sports complex. Once completed, the complex will offer a wide variety of recreational activities such as softball, soccer, baseball, football, volleyball, nature trails, walking trails, an amphitheatre, and dock and pond. Most of the infrastructure and facilities are



scheduled to be completed within two years. The final aspects of the master plan will be completed in the third year, consisting primarily of a swimming pool facility.

**Expenditures:** The expenditures in fiscal year 2002 and the changes from fiscal year 2001 are shown in the following chart and table.

***FY 2002 Expenditures by Activity  
Governmental, Expendable Trusts & Component Unit***



<b>Table 3. Expenditures</b>	<b>Fiscal Year 2002</b>	<b>Fiscal Year 2001</b>	<b>% of Total</b>	<b>Inc/(Dec) From 2001</b>	<b>% Change</b>
General Administration	\$ 7,729,740	\$ 6,948,055	6.1	\$ 781,685	11.3
Judicial Administration	2,107,733	1,925,457	1.7	182,276	9.5
Public Safety	12,684,365	11,112,953	10.0	1,571,412	14.1
Public Works	6,152,615	5,380,379	4.8	772,236	14.4
Health & Welfare	5,324,034	4,934,176	4.2	389,858	7.9
Education	78,882,845	72,220,501	62.2	6,662,344	9.2
Parks, Recreation & Cultural	4,241,026	3,180,143	3.3	1,060,883	33.4
Community Development	3,124,838	2,681,114	2.5	443,724	16.5
Capital & Other	439,427	351,520	0.3	87,907	25.0
Debt Service	6,188,549	6,288,144	4.9	(99,595)	-1.6
Total				\$	
	\$ 126,875,172	\$ 115,022,442	100.0	11,852,730	10.3

As shown in Table 3, in fiscal year 2002 expenditures increased approximately \$11.9 million, or 10.3%. Overall, education accounted for the single largest category of direct expenditures at \$78.9 million, or 62.2% of the total expenditures. In direct dollars, education received an

increase of \$6.7 million more in fiscal year 2002 than in the prior year. This funding was used to expand instructional programs, improve salaries to be more competitive, and cover debt service for the new middle school. In addition, education incurs indirect expenditures, which are categorized as General Administration. The County has consolidated the services provided by the departments of general services (maintenance of buildings and grounds), human resources, and finance. Approximately 70% of the costs of these consolidated functions is associated with educational activities. As shown in Schedule 2 of the Financial Section of this report, these functions cost approximately \$4.4 million in fiscal year 2002. The portion allocated to education is approximately \$3.1 million.

The second most significant category of expenditures is for public safety at \$12.7 million, or 10% of total expenditures. Public safety's allocation in fiscal year 2002 is up approximately \$1.6 million from 9.6% in fiscal year 2001. In actual dollars expended, public safety received an increase of approximately \$1.6 million.

Parks and recreation expenditures increased a total of \$1.1 million, or 33.4%, in fiscal year 2002. The costs associated with the sports complex of \$704,474 are responsible for the most significant change. Other increases from the prior year are associated with parks and recreation operating costs.

## Overview of General Fund Results

The General Fund is the general operating fund of the County. This fund accounts for all revenues and expenditures of the County that are not accounted for in other funds. Many of the County's primary functions are reported in the General Fund, including such functions as administration; public safety, except fire & rescue; detention center and dispatch; health & welfare; and recreation.

A primary measure of performance for the General Fund is the amount of undesignated fund balance that is available for use in current and future operations. A strong undesignated fund balance is important for the County's financial health. It is one of the determining factors in the County's bond rating, which impacts the cost of borrowing funds for major projects. It also helps sustain the County during economic downturns, or unforeseen emergencies. With this in mind, the County's Board of Supervisors adopted a financial policy to maintain a general fund balance of no less than five percent (5%) of general fund revenue. The General Fund's undesignated fund balance at the end of the fiscal year was \$22,286,322, or 23.4% of general fund revenue. Table 4 summarizes the change in fund balance for the past two fiscal years.

<b>Table 4. General Fund Undesignated Fund Balance</b>	<b>Fiscal Year 2002</b>	<b>Fiscal Year 2001</b>	<b>Inc/(Dec) From 2001</b>
Revenues & other financing sources	\$ 95,117,188	\$ 87,447,612	\$ 7,669,576
Expenditures & other financing uses	90,279,508	84,232,282	6,047,226
Addition to Fund Balance	4,837,680	3,215,330	1,622,350
Beginning Fund Balance	17,448,642	14,233,312	3,215,330
Ending Fund Balance	\$ 22,286,322	\$ 17,448,642	\$ 4,837,680

## Proprietary Funds

The County's Proprietary Funds consist of two components: the Enterprise Funds and the Internal Service Funds. The Enterprise Funds include the following:

- The **Landfill**, which provides for solid waste disposal and recycling. The landfill is totally supported by user fees and other revenue. During Fiscal Year 2002, the landfill generated net income of \$1,907,705.
- The **Airport** serves Fauquier County by providing landing facilities, hangars and tie-down spaces for small aircraft. The airport is supported by state and federal grants, user fees, personal property taxes on aircraft and other income. During Fiscal Year 2002, the airport generated net income of \$779,238. This income is primarily the result of reimbursements from the Federal Government for capital projects.

In addition, the County operates two Internal Service Funds. These funds are as follows:

- The **Health Insurance Fund** accounts for the resources devoted to the County's and School's self-insured health benefit plan. During Fiscal Year 2002, the Health Insurance fund had net income of \$1,036,770.
- The **Fleet Maintenance Fund** accounts for the resources devoted to the repair and maintenance of the vehicles owned by the County and Schools. During Fiscal Year 2002, the Fleet Maintenance Fund had net loss of \$69,316.

## Employees' Retirement Plans

Fauquier County contributes to the Virginia Retirement System (VRS), an agent multiple employer public retirement system that acts as a common investment and administrative agent for political subdivisions in the Commonwealth of Virginia. All full-time permanent employees must participate in VRS. Benefit provisions and requirements are established by State statute.

In 1995, the County established a length of service award program (Program) for the Fauquier County Fire and Rescue Association (Association) and its member companies. This is a single employer defined benefit plan for volunteer firefighters meeting certain criteria for participation. The County contributes 100% of the costs of the program. This plan is described more fully in Note 12 in the Financial Section of this report.

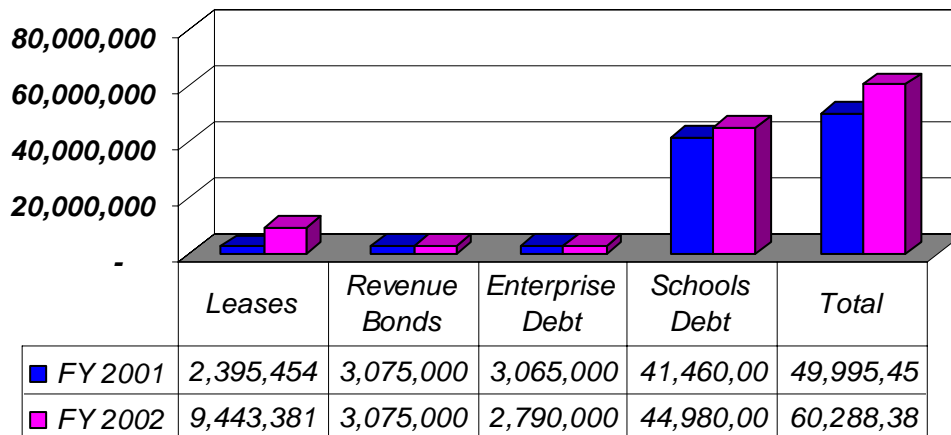
## Debt Administration

The County is a highly rated issuer of debt securities. The County's long-term general obligation bonds are rated by Moody's Investor Service as Aa2, and by Standard & Poor's Corporation (S & P) as AA-. In July 2001, the AA- rating from S & P reflected an upgrade from the prior rating of A+. S & P cited "growing participation in the expanding and diverse northern Virginia economy coupled with maintenance of a very low debt burden and improved financial performance" as reasons for the upgrade.

In fiscal year 2002, long-term indebtedness, excluding compensated absences, increased from \$49,995,454 to \$60,288,381, or 20.6%. Of this amount, \$2,790,000 is self-supporting and \$57,498,381 is tax supported. Debt is considered self-supporting if revenues generated by the activity fully support debt repayment, or no tax revenue is used to repay the debt. The enterprise debt, which is for the landfill operation, is self-supporting. Debt is considered tax supported if general tax revenues are used, or if the County has made a pledge of annual appropriation to repay the debt. This debt includes general obligation debt, capital leases and Virginia Public School Authority bonds.

The increase in debt in fiscal year 2002 is the result of the issuance of tax supported debt, including bonds in the amount of \$6,410,000 to build a new middle school, and bonds in the amount of \$7,400,000 for a Public Safety Radio System. In addition, the County issued refunding bonds in the amount of \$8,495,000.

### Long-Term Indebtedness



The County has no statutory limit, or "legal debt margin", on the amount of debt it can issue. The Board of Supervisors has adopted certain financial policies limiting the amount of annual debt service payments to no more than ten percent of County revenues. These policies also serve as a guide for a schedule of debt funded projects in the Capital Improvements Program. In fiscal year 2002, the amount of tax-supported debt service payments of \$6,188,549 represented 4.4% of revenues.

### Cash and Investment Management

The County Treasurer maintains a cash and investment program for the safeguarding and management of the County's funds. The investment of funds is administered in accordance with the *Code of Virginia*.

The County Treasurer invests primarily in the Local Government Investment Pool, managed by the Treasurer of Virginia, bonds issued by the U.S. Treasury and Federal agencies, bankers' acceptances, highly rated commercial paper and certificates of deposit in banks which have qualified as public depositories as defined by the *Code of Virginia*. Proceeds from bond issues subject to arbitrage rebate are invested in Virginia's State Non-Arbitrage Program (SNAP).

### Risk Management

The County maintains a self-insurance program for health insurance for employees of the County, School Board, Vint Hill Farms Economic Development Authority, and Water and Sanitation Authority (participates in dental only).

The activities of this program are reported in the Health Insurance Fund. Revenues in this Fund come from premiums charged to the participating departments and agencies of the County to cover the cost of the insurance benefit, and from the share of the cost charged to employees. The revenue collected is used to cover the estimated claims, premiums paid to purchase excess liability insurance coverage, and operating expenses. Claims filed, or

expected to be filed, through June 30, 2002, are reported as accrued liabilities. The Health Insurance Fund has sufficient reserves to cover its estimated liabilities.

### **Independent Audit**

The County's financial statements for the fiscal year ended June 30, 2002 have been audited by the firm of Robinson, Farmer, Cox Associates, independent certified public accountants, as required by Section 15.2-2511 of the *Code of Virginia*. The audit was conducted in accordance with generally accepted auditing standards and the auditors' report is included in the Financial Section of this report.

Audit testing for compliance with the federal Single Audit Act and related OMB Circular A-133 was performed by Robinson, Farmer, Cox Associates, independent certified public accountants. The auditors' reports are reported in the Compliance Section of this report.

In addition to the independent auditors' reports described above, the auditor furnishes written recommendations to the County Board of Supervisors pertaining to the improvement of certain areas of internal accounting control and overall accounting procedures.

### **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Fauquier County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR), whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

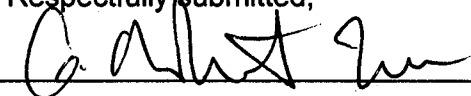
A Certificate of Achievement is valid for a period of one (1) year only. Fauquier County has received a Certificate of Achievement for the last three (3) years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for consideration.

### **Acknowledgments**

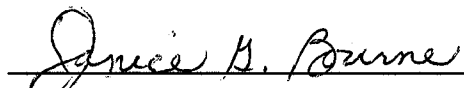
This report was prepared by the professional staff of the Finance Department. Their hard work, dedication and continuing efforts to improve the quality of this report directly benefit all who read and use it. We also acknowledge the cooperation and assistance of the staff of the County Treasurer, the Commissioner of the Revenue, the School Board and the many other County departments and agencies which contributed to preparation of this report.

This Comprehensive Annual Financial Report reflects the County's commitment to the citizens of Fauquier County, the Board of Supervisors and the financial community to provide information in conformance with the highest standards of financial accountability.

Respectfully submitted,



G. Robert Lee  
County Administrator



Janice G. Bourne  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fauquier County,  
Virginia

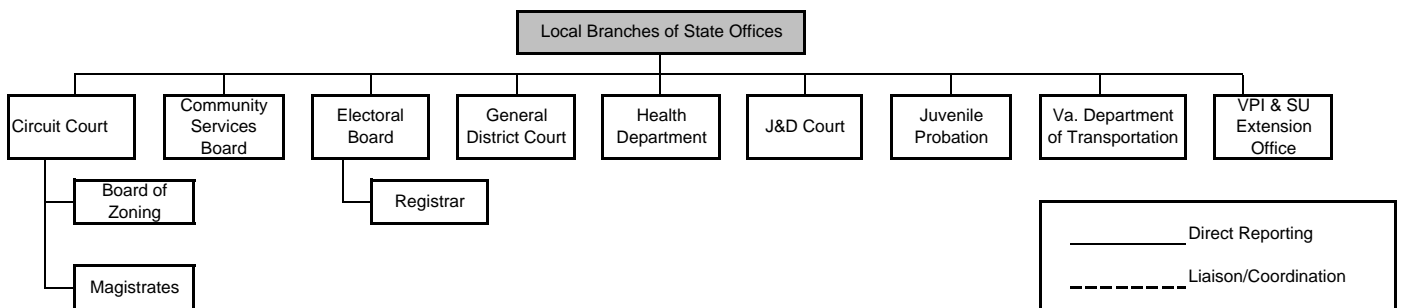
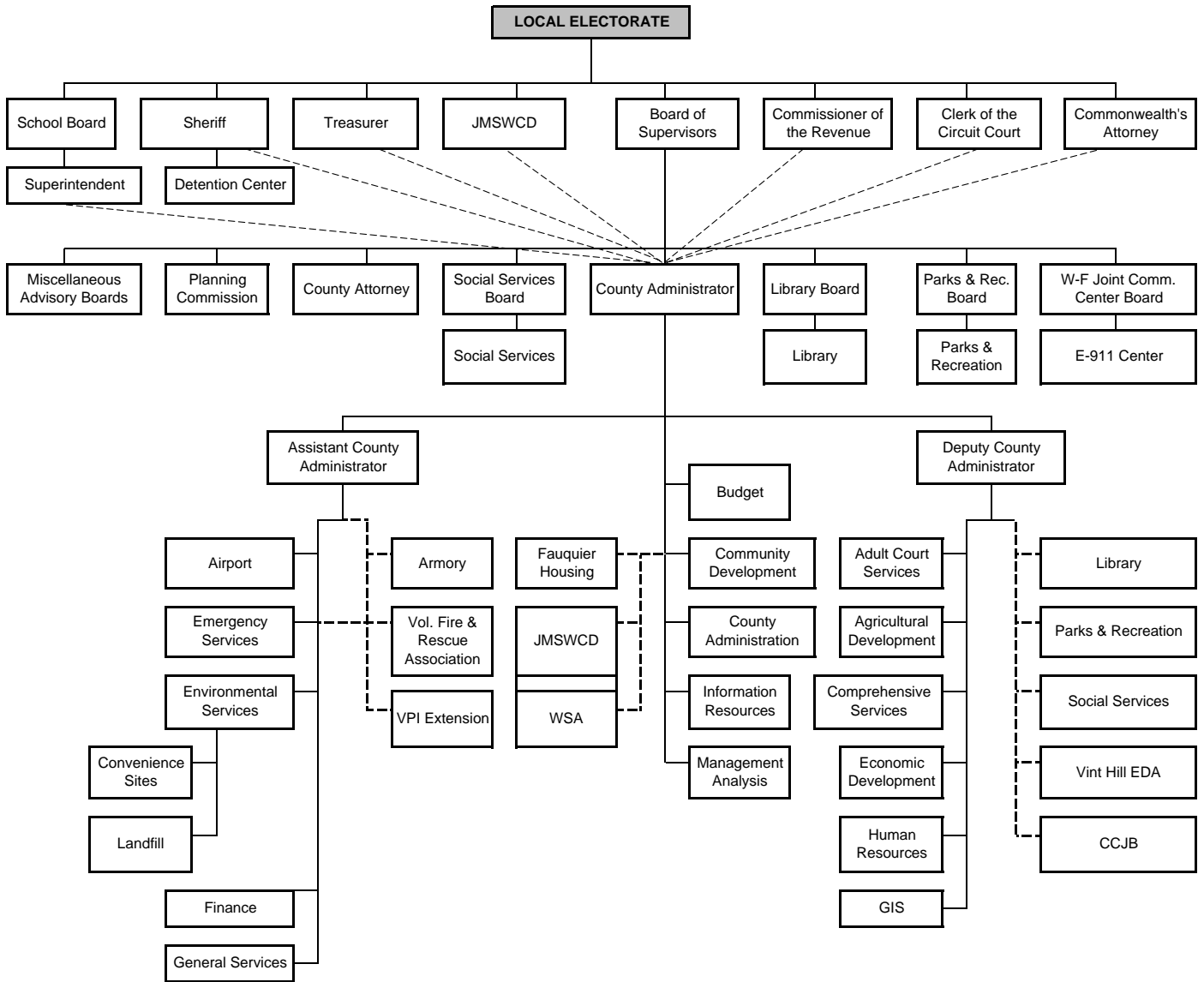
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Timothy D. Dwyer*  
President

*Jeffrey L. Esser*  
Executive Director



## **COUNTY OF FAUQUIER, VIRGINIA**

---

### **BOARD OF SUPERVISORS**

Raymond E. Graham, Chairman  
Sharon Grove McCamy, Vice-Chairman

Harry Atherton, Jr.  
Larry L. Weeks  
Joseph Winkelmann

### **COUNTY ADMINISTRATOR**

G. Robert Lee

### **COUNTY SCHOOL BOARD**

Ernest L. Gray, Jr., Chairman  
Gary A. Maloche, Vice-Chairman

William G. Downey, IV  
Bronwyn H. Lambelet  
John E. Williams

### **SUPERINTENDENT OF SCHOOLS**

J. David Martin

### **OTHER OFFICIALS**

Clerk of the Circuit Court .....	Gail Barb
Judge of the General District Court .....	Charles B. Foley
Sheriff .....	Joseph Higgs, Jr.
Treasurer .....	Elizabeth A. Ledgerton
Commonwealth's Attorney .....	Jonathan Lynn
Judge of the Circuit Court .....	Jeffrey W. Parker
Judge of Juvenile & Domestic Relations District Court .....	H. Dudley Payne
Interim Director of Finance .....	William Skinker
Commissioner of the Revenue .....	Ross D'Urso